

PURCHASING RULES AND REGULATIONS
TOWN OF PORTLAND, CONNECTICUT
APRIL 5, 1988

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Revised December 10, 2003
Revised January 15, 2004

The Town Charter requires the Board of Selectmen to establish purchasing rules and regulations to govern the purchasing of all Town Departments, Offices, Boards, Agencies and Commissions. Such rules and regulations shall also include an amount to be set annually by the Board above which sealed bids shall be required.

Purchasing rules and regulations are designed to assure that all vendors and those who might provide goods and services to the Town will be treated fairly and given a chance to compete for Town business. This is especially important when considering that many potential vendors are also taxpayers. Competitive bidding also reduces and can even eliminate the appearance of favoritism or impropriety when purchases are made direct from vendors without benefit of bidding. In a municipality it is important to avoid such appearances since tax dollars are involved.

It is recognized that there are times when competitive bidding may not be in the best interests of the Town. Sec. 1208 of the Charter recognizes this and authorizes the Board of Selectmen to waive competitive bidding when deemed in the best interest of the Town.

In all instances, these rules and regulations presume that the item, materials, goods or services to be procured have been included in the annual operating budget approved by the Board of Selectmen. Requests to purchase items which are not budgeted are to be made only after approval by the Board of Selectmen. Requests to purchase an item that is not budgeted from funds budgeted for another purpose shall require the approval of the Board of Selectmen.

In no instance shall items be purchased unless there are sufficient unencumbered funds in the account to cover the cost of the purchase (s). It is for this reason, that all requests for purchasing must be processed through the Finance Department.

The role of the Finance Department includes the following: (1) to assure that items to be purchased are included in the approved budget; (2) to assure the greatest degree of competitive bidding, balancing quality with competitive pricing; and (3) to assure that there are sufficient funds to cover the prospective purchases.

For purposes of these rules and regulations, "department" shall include all boards, agencies, offices, commissions and such cost centers as are established within

the Board of Education, ie. individual schools, maintenance, superintendent's office, etc. "Department Head" shall include department directors or their authorized representative, board, agency and commission chairpersons, program directors, school principals, etc. When a department head authorizes a "representative" to sign on his behalf, such authorization shall be made in writing to the Finance Director.

Specific Rules and Regulations

1. Department heads are authorized to make direct purchases of items up to an amount of \$300 or less without prior Department of Finance approval. These purchases are for budgeted items of an ongoing nature, such as replacement parts for trucks and equipment, stationery supplies, miscellaneous hardware, etc. with a limit of \$1,000 from any one vendor for like items. If the \$1,000 limit is to be reached during the year, a purchase order will be written to the vendor. Books purchased by the Portland Library and Board of Education are not covered by the \$1,000 limit in this section.

Payment will be made from a vendor's invoice, properly signed as to the receipt of the goods or services and approved by the department head or other authorized individual.

2. For purchases of from \$301 to \$1,500, the Department of Finance will authorize purchases upon receipt from the purchasing department of three (3) verbal quotes. If the delivery of the item is immediate and of not more than \$500, a purchase order will not be written, unless the vendor requires one. When the delivery is not immediate, and for all items in excess of \$500, a purchase order will be prepared and mailed to the vendor.

For purchases requiring a purchase order, payment will be made following the presentation of the vendor's invoice and the return of the green copy of the purchase order properly approved by the purchasing department.

3. For purchases of single items from \$1,501 to \$9,999, the Department of Finance will authorize purchases upon receipt of three (3) written quotes. The Department of Finance could, at any time, require sealed bids in lieu of written quotes. A purchase order shall be prepared and mailed to the vendor before goods and services are provided.

Items such as fuel oil and gasoline which are bid with multiple options should be brought to the Board of Board of Selectmen before the bid is awarded.

Payment to vendors shall be made upon receipt of the vendor's invoice and the return of the green copy of the purchase order properly approved by the department making the purchase.

4. For all single or extended purchases of \$10,000 or more, sealed bids shall be required and purchase orders issued. Extended purchases include items such as

gasoline and fuel oil, service contracts, stationery supplies, etc. that are delivered over a period of time.

Payment will be made upon receipt of the vendor's invoice and return of the green copy of the purchase order properly receipted and approved.

For ongoing purchases, payment will be made upon receipt of vendor's invoice and receipt of the delivery ticket properly receipted and approved.

Bulk items such as fuel oil and gasoline, which are to be delivered at intervals, shall be bid on the total estimated use of such item and shall not be divided to avoid these rules and regulations.

5. Purchasing through the State of Connecticut purchasing system extended to municipalities is to be encouraged.

6. The Department of Finance will endeavor to establish vendors for commonly used items such as office supplies, custodial supplies, tires, tubes, gasoline, fuel oil, light bulbs, etc. All departments will be expected to purchase such items from an established vendor.

7. Emergency Purchases are purchases or repairs necessary to maintain effective and efficient operations or to correct an immediate safety hazard. Such purchases and repairs may be made from a vendor who can provide the goods or services necessary to make the repairs or alleviate the emergency. The Director of Finance shall be notified of all emergency purchases. Notification shall be made in advance whenever possible.

Payment will be made on presentation of vendor's invoice and approval by the appropriate department head.

Confirming orders for purchases already made, are to be used ONLY under emergency conditions.

8. Goods and services from a single source vendor, ie. electricity, telephone, advertising, legal notices, etc., shall be paid upon receipt of vendor's invoice and approval by the appropriate department head. It shall be the responsibility of the department head to review invoices to assure that the invoices contain proper charges to the Town.

9. Expenditures not requiring a purchase order include the following for which an internal payment voucher shall be submitted for payment:

- Petty cash reimbursements

- Mileage reimbursement

- Travel to and attendance at conferences, business meetings, etc.

- Postage

Dues to professional associations
Subscriptions to newspapers, magazines and professional journals
Insurance Payments, Judgments and Claims
Social Services payments
Debt service payments of principal and interest
Miscellaneous payments to named organizations in the budget, ie. Visiting Nurse Assoc., etc.
Clothing allowances when paid on a monthly basis

10. Competitive bidding shall not be required for professional services such as lawyers, architects, engineers and other licensed professionals. In such instances the Director of Finance shall negotiate fees for services. In such cases, requests for proposals shall be solicited.

11. The Town is exempt from the sales and use tax of the State of Connecticut. All departments are expected to assure that that the Town does not pay sales taxes. Sales tax exemption forms are available from the office of the Director of Finance for those who need such forms.

12. When recurring purchases, such as miscellaneous hardware supplies, are to be made from a single vendor, a blanket purchase order is to be established for such goods and services. The purchase order shall read, "For the purchase of miscellaneous hardware supplies, not to exceed "\$ X" dollars".

Such purchase orders are to be established where the cost of individual orders might not exceed the cost guidelines set forth in No. 1 of these rules but whose cumulative cost over a year will exceed such guidelines. Amounts can be increased when necessary.

13. Certain departments have petty cash funds. These funds are to be used for minor purchases when it would be inappropriate or untimely to issue a check. Requests for the establishment of petty cash funds shall be made to the Director of Finance.

Use of petty cash includes postage due charges, emissions control fees, business lunches, attendance at professional meetings, mileage reimbursement, parking reimbursement and purchase of supplies from local stores of a minor nature. All expenditures from petty cash must be supported by receipts or other documentation.

These receipts shall be forwarded to the Finance Department when petty cash is to be replenished. At all times, expenditure receipts and cash on hand must equal the amount of the petty cash advance. Petty cash is subject to periodic audit by the Finance Department and annually by the Town's independent auditor.

14. All purchases shall be made on the standard Town of Portland purchase order, except for amounts of less than \$300 when a purchase order is not issued and in those instances where a purchase order is not required by these rules and regulations.

15. Bid specifications for items to be purchased together with the estimated amount of purchase shall be developed by a requesting department in consultation with the Finance Department. Purchase orders shall be prepared by each department for its own purchases except for sealed bids when the Finance Department shall prepare the order.

16. The Town of Portland specifically reserves the right to reject any and/or all bids if deemed to be in the best interest of the Town. The Town shall also reserve the right to waive any informalities in any and/or all bids, to extend the period of time for closing bids and to award bids in any way that is in the best interests of the Town.

17. The Director of Finance is authorized to establish purchasing schedules for commodities and services used by more than one department, commission, board, agency or office of the Town.

18. Contracts and purchases of up to and including \$1,000 shall be authorized by the Director of Finance and in his absence by the First Selectwoman. Contracts and purchases of more than \$1,000 shall be authorized by the Director of Finance and the First Selectwoman.

19. In the event that an award is not to be made to the lowest bidder that meets all specifications, the matter shall be referred to the Board of Selectmen for review before bid acceptance letter is sent. The matter shall also be referred to the Board of Education on matters relating to educational matters only.

20. In awarding bids, the Director of finance, after consultation with the department for which the bid was issued, may do any of the following: (a) award the contract/purchase to the lowest responsible bidder who meets all specifications; (b) may reject all bids; or (c) may negotiate further with such bidders as the Director of Finance deems appropriate and award the contract/purchase on the basis of (1) availability of the item or service and (2) the lowest price available.

It is understood that the Finance Director shall never negotiate further with other bidders whose original price/quote was higher than that of another bidder(s) without negotiating with all such bidders whose original price quotes were lower. Any such awards under this section shall be reported to the First Selectwoman and Board of Selectmen before bid acceptance letter is sent.

21. Insurance certificates and the amounts of required coverage shall be determined by the Director of Finance, in consultation with the department concerned with the bid. Insurance certificates shall hold the Town harmless and shall indemnify the Town for

Worker's Compensation, property damage and general liability. Performance insurance shall be required when necessary.

22. The Board of Selectmen shall have the right to amend these rules and regulations at any time and may waive any of these regulations when deemed to be in the best interests of the Town to do so, consistent with the Town Charter.